

**BRIEFING NOTE TO THE MINISTER****BUDGET 2018 OVERVIEW**

(For Information)

ISSUE

- This note provides information on Budget 2018 announcements regarding Infrastructure Canada (INFC) programming.

OVERVIEW

- Budget 2018, "Equality + Growth: A Strong Middle Class", focuses on economic growth, progress (innovation), reconciliation, advancement, and gender equality. For INFC, Budget 2018 includes announcements regarding reprofiling of legacy programs, as well as infrastructure investments announced in Budget 2016 and Budget 2017. It notes that this change reflects when the Government expects to receive claims from recipients and that further adjustments to these allocations are expected and will be made over time to ensure infrastructure funding is available to other jurisdictions when it is needed. The Budget also announced new funding for the Jacques Cartier and Champlain Bridges Incorporated (JCCBI).

Update on Infrastructure Investments

- Budget 2018 reiterates the Government's plan to invest more than \$180 billion in infrastructure over 12 years. It highlights that the Government is supporting new infrastructure projects and economic activity across Canada, with over 7,800 projects with combined investments of over \$32 billion having been approved to date for communities across the country.
- Budget 2018 further highlights that the Government is working to improve financial reporting and accountability under its infrastructure programs so that it is clear when projects get underway, when costs are incurred, and when federal funds flow to other levels of government.
- Budget 2018 also notes that the Government is finalizing negotiations with the provinces and territories to provide long-term funding through Integrated Bilateral Agreements.

Reprofiling

- [REDACTED]

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- [REDACTED]
- [REDACTED]

Jacques Cartier and Champlain Bridges Incorporated

- Budget 2018 announces \$616 million over five years (2017–2018 to 2022–2023) for the JCCBI to “protect the integrity of transportation infrastructure in Montréal”.
[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

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Other Items of Interest to Infrastructure Canada

- The Budget proposes the following infrastructure-related investments under other federal departments:
 - **Innovation, Science and Economic Development Canada (ISED):** \$100 million over five years to support the Strategic Innovation Fund, with a particular focus on supporting projects related to low earth orbit satellites with a view to creating the next generation of rural broadband.
 - **Indigenous Services Canada:** An additional \$172.6 million over three years to improve access to clean and safe drinking water on reserve.
 - **Transport Canada:** \$41 million over four years to strengthen airports serving rural communities and \$11 million in 2018–2019 to maintain rail services to remote communities.
- Budget 2018 also proposes \$11.5 million over three years, starting in 2018–2019, for a regulatory reform agenda focused on supporting innovation and business investment. The approach includes targeted reviews over the next three years of regulatory requirements and practices that are bottlenecks to innovation and growth in Canada, with an initial focus on agri-food and aquaculture, health/bio-sciences, and **transportation and infrastructure**, including emerging technologies such as autonomous vehicles.
- The Government will be launching a **Women in Construction Fund** in 2018–2019, with an investment of \$10 million over three years from Employment and Social Development Canada's (ESDC) existing resources. The Program will build on existing models that have proven to be effective in attracting women to the trades.
[REDACTED]
- Reinforcing the importance that all departments will need to place on including gender-based analysis in their programs and policies, Budget 2018 introduces a new **Gender Results Framework**. This Framework includes goals and indicators that will guide the Government's decisions and measure Canada's progress in achieving greater gender equality. The Government will also introduce new **GBA+ legislation** to make gender budgeting a permanent part of the federal budget-making process.
- Budget 2018 also included investments in research and data. In particular, Budget 2018 proposes \$3.8 million over five years, starting in 2018–2019, and \$0.4 million per year ongoing, to Statistics Canada to create the **Indigenous Statistical Capacity Development Initiative**.
[REDACTED]

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- Budget 2018 proposes \$20 million over five years, starting in 2018–2019, through Environment and Climate Change Canada to fulfill the **Pan-Canadian Framework on Clean Growth** (PCF) commitment to engage external experts to assess the effectiveness of its measures and identify best practices. This measure will ensure that the actions established in the PCF are transparent and informed by science and evidence. INFC programs also support PCF objectives and we could learn from best practices identified through this process.
- Through Budget 2018, the Government proposes \$431.4 million over six years, starting in 2017–2018, to continue making progress on **Phoenix pay system** issues, including hiring additional staff to support the pay system, as well as \$16 million over two years, beginning in 2018–2019, to work with experts, federal public sector unions and technology providers on a way forward for a new pay system. Budget 2018 also proposes to provide \$5.5 million over two years, starting in 2017–2018, to the Canada Revenue Agency for the processing of the individual income tax reassessments for federal government employees that are required.
- Finally, Budget 2018 proposes significant investments in Shared Services Canada and the Communications Security Establishment to modernize and enhance the Government's digital services. This includes \$2.2 billion over six years, starting in 2018–2019, with \$349.8 million per year thereafter, to improve the management and provision of IT services and infrastructure within the Government of Canada and to support related cyber security measures, and \$110 million over six years, starting in 2018–2019, to be accessed by Shared Services Canada's partner departments and agencies to help them migrate their applications from older data centres into more secure modern data centres or cloud solutions. A majority of the funding for these initiatives will be reallocated from federal organizations that receive mandatory services from Shared Services Canada.

NEXT STEPS

- Question Period and communications materials have been prepared on Budget 2018.
- The Deputy Minister will also update her provincial and territorial counterparts on the content of the Budget.

 Kelly Gillis Deputy Minister Infrastructure and Communities	FEB 28 2018 _____ Date
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Attachments:

- Annex A – Updated Allocation of Legacy Infrastructure Programs
- Annex B – Budget 2016 Infrastructure Investments
- Annex C – Budget 2017 Investing in Canada Plan
- Annex D – Copy of Budget 2018 Comparison
- Annex E – Question Period Card

Table A2.16
Updated Allocation of Legacy Infrastructure Programs (Pre-2016)
 millions of dollars

	Prior years	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Future years	Total
Amount as of									
Budget 2017	7,792	1,456	1,821	2,190	2,019	2,168	2,034	1,711	21,189
Budget 2018									
Allocation	5,916	1,112	1,532	1,847	2,165	2,441	2,056	4,120	21,189
Reprofile	-1,875	-344	-288	-344	146	273	23	2,409	0

Table A2.17

Budget 2016 Infrastructure Investments – Updated Profile

millions of dollars

	2016– 2017	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	2023– 2024	Total
Amount as of Budget 2017									
	3,368	5,992	3,315	877	749	84	10	3	14,398
Budget 2018 Allocation									
Public Transit	45	210	683	1,452	1,010	0	0	0	3,400
Green Infrastructure	356	773	1,044	1,534	1,252	85	10	3	5,057
Social Infrastructure	1,638	1,694	53	36	20	0	0	0	3,441
Strategic Investments in Post-Secondary Institutions	749	1,001	250	0	0	0	0	0	2,000
Rural Broadband	6	81	253	108	52	0	0	0	500
Total Budget 2018 Allocation									
	2,794	3,759	2,283	3,130	2,334	85	10	3	14,398
Reprofile	-575	-2,232	-1,032	2,253	1,585	1	0	0	0

Table A2.18
Budget 2017 Investing in Canada Plan – Updated Profile
millions of dollars

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	5- year total
Total Amount Provisioned as of Budget 2017	445	4,047	4,836	5,400	4,183	21,115
Public Transit - Budget 2017 Allocation	164	1,100	1,100	1,200	1,400	4,744
Public Transit Bilateral Agreements	19	455	708	821	1,177	3,181
Canada Infrastructure Bank	149	123	210	131	242	655
Smart Cities Challenge	4	1	4	9	11	29
Other horizontal initiatives ¹	9	16	21	21	21	86
Subtotal-Budget 2018 Allocation	162	595	943	981	1,451	4,152
Reprofile of Public Transit Allocation	17	-505	-157	-217	51	-813
Rural and Northern - Budget 2017 Allocation	0	150	150	150	200	650
Rural and Northern Communities Bilateral Agreements	2	15	23	61	99	200
Subtotal-Budget 2018 Allocation	2	15	23	61	99	200
Reprofile of Rural and Northern Allocation	2	-135	-127	-87	-101	-450
Green Infrastructure - Budget 2017 Allocation	21	199	1,199	1,400	1,731	5,351
Green Infrastructure Bilateral Agreements	9	156	143	557	475	1,341
Canada Infrastructure Bank	0	138	225	296	457	1,116
Smart Cities Challenge	0	5	4	9	11	29
Disaster Mitigation and Adaptation	0	45	100	100	200	445
Climate Adaptation and Resilience	21	33	35	35	34	157
Smart Grid and Clean Electricity	0	25	25	25	25	100
Emerging Renewable Energy Technologies	0	25	50	50	50	175
Reducing the Reliance of Rural and Remote Communities on Diesel	0	22	26	46	47	141
Electric Vehicles and Alternative Fuels	0	30	30	30	30	120
Energy Efficient Building Codes	0	20	22	24	22	87
Improving Indigenous Communities	0	175	200	225	200	600
Arctic Energy Fund	0	2	4	12	20	38
Reserved Green Funding	0	0	0	0	176	176
Other horizontal initiatives ¹	0	24	19	19	18	81
Subtotal-Budget 2018 Allocation	30	700	884	1,428	1,765	4,808
Reprofile of Green Allocation	7	-300	-315	28	33	-544
Trade and Transportation - Budget 2017 Allocation	461	617	700	800	884	3,442
Modernizing Transportation	11	16	16	17	17	76
Connecting Communities by Rail and Water ²	300	309	324	57	100	1,120
National Trade Corridors Fund	31	78	156	169	184	618
Climate Risk Assessments	3	3	3	3	3	14
Canada Infrastructure Bank	0	0	0	234	442	676
Information System	5	5	5	5	5	23
Oceans Protection Plan ²	152	246	236	230	205	1,067
Heavy-duty Vehicles and Off-Road Regulations	1	2	2	2	2	8
Less: Funds in the fiscal framework and other revenues	-42	-42	-42	-22	-61	-208
Subtotal-Budget 2018 Allocation	461	617	700	724	894	3,396
Reprofile of Trade and Transportation Allocation	0	0	0	-74	11	-65
Social Infrastructure - Budget 2017 Allocation	-1	1,183	1,488	1,850	1,968	6,658
Early Learning and Child Care	0	540	545	550	550	2,185
Canada Cultural Spaces Fund	0	30	30	30	30	120
Enabling Accessibility Fund	0	8	8	8	8	31
Cultural and Recreational Bilateral Agreements	1	8	15	41	67	132
Community Educational Infrastructure	0	4	4	4	8	20
Home Care Infrastructure	0	200	250	250	300	1,000
Smart Cities Challenge	0	5	4	9	11	27
Improving Indigenous Communities	0	175	200	225	200	800
FPT Housing Partnership Framework	0	0	355	460	530	1,345
National Housing Co-Investment Fund	0	169	333	383	447	1,332
Other National Housing Strategy Initiatives	12	163	287	316	346	1,124
Less: Funds in the fiscal framework and other revenues	-13	-76	-255	-321	-404	-1,069
Subtotal-Budget 2018 Allocation	0	1,026	1,776	1,955	2,093	7,049
Reprofile of Social Infrastructure Allocation	1	43	88	104	125	361
Grand Total - Budget 2018 Allocation	474	3,153	4,324	5,147	4,301	19,603
Total Reprofile of Budget 2017 Infrastructure Allocation	29	-816	-512	-251	118	-1,512

¹ Includes funding allocations to support other initiatives such as Innovation Superclusters, Women in Construction Fund and Indigenous Capacity Building.

² Connecting Communities by Rail and the Ocean Protection Plan include funding to support capital projects where costs are amortized over the useful life of the asset. The 11-year totals include the remaining amortization amounts beyond 2027-28.

ANNEX C

2022– 2023	2023– 2024	2024– 2025	2025– 2026	2026– 2027	2027– 2028	Total
7,711	8,885	9,764	10,733	11,132	11,207	81,200
2,520	2,604	3,167	3,748	3,976	4,078	25,300
1,425	1,925	2,323	3,445	3,529	4,275	20,110
510	586	631	689	639	589	5,000
21	11	18	8	13	0	100
4	0	0	0	0	0	90
1,260	2,521	2,977	4,145	4,351	5,164	25,300
-560	-262	-212	397	365	1,064	0
200	200	200	250	250	250	2,000
138	196	238	441	545	443	2,000
138	196	238	441	545	443	2,000
-42	-4	38	191	75	193	0
2,200	2,478	2,794	3,000	3,028	3,030	21,900
749	937	1,134	1,488	1,626	1,940	7,215
525	601	646	704	704	704	5,000
21	11	18	8	13	0	100
200	250	250	255	300	300	2,000
21	21	21	21	21	21	281
0	0	0	0	0	0	100
25	0	0	0	0	0	200
47	39	0	0	0	0	220
0	0	0	0	0	0	120
26	25	25	20	0	0	182
200	200	200	200	200	200	2,000
26	40	48	86	70	90	400
276	276	325	320	320	308	2,000
1	0	0	0	0	0	82
2,116	2,392	2,666	3,102	3,253	3,563	21,900
-62	-106	-128	101	225	533	0
920	778	1,054	1,071	1,077	1,083	10,100
1	0	0	0	0	0	77
104	87	100	96	82	89	1,925
230	250	250	230	230	230	2,000
0	0	0	0	0	0	16
579	674	719	778	778	778	5,000
5	5	5	5	5	5	50
9	9	9	9	9	9	1,325
1	1	1	1	1	1	16
-17	-17	-17	-17	-17	-17	-309
931	989	1,047	1,102	1,058	1,094	10,100
11	11	11	11	11	11	0
2,072	2,405	2,545	2,643	2,781	2,766	21,900
725	775	775	800	870	870	7,000
30	30	30	30	30	30	300
8	8	8	8	8	8	77
93	132	160	286	233	310	1,347
8	8	8	12	12	12	80
0	0	0	0	0	0	1,000
21	11	18	8	13	0	100
200	200	200	200	200	200	2,000
675	810	975	1,160	1,330	1,445	7,740
461	625	677	687	675	674	5,134
347	349	354	354	359	339	3,224
-472	-629	-766	-919	-1,055	-1,174	-6,103
2,096	2,321	2,420	2,625	2,675	2,713	21,900
25	-84	-125	-16	-106	-53	0
7,242	8,419	9,348	11,414	11,743	12,777	81,200
-447	-445	-414	481	411	1,770	0

<i>Comparison of Finance requests to Budget 2018 funding announcements</i>				
Budget 2018		Difference from request	2018 Budget Requests	
Jacques Cartier and Champlain Bridges Incorporated			Jacques Cartier and Champlain Bridges Incorporated (2018-19)	
2018-2019	\$ 91,000,000	2018-19	Five-year funding	\$ 616,000,000



BUDGET 2018

Budget 2018 reaffirms the Government of Canada's long-term infrastructure plan and provides an update on the allocation of infrastructure investments.

SUGGESTED RESPONSE

- **Our Government's 2018 Budget – Equality + Growth: A Strong Middle Class – supports the Government's people-centered approach.**
- **Through our 2018 Budget, we are taking the next steps towards building an equal, competitive, sustainable, and fair Canada – where science, curiosity and innovation spur economic growth.**
- **Through the *Investing in Canada* plan, the Government of Canada is delivering on its commitments and investing more than \$180 billion in infrastructure over twelve years.**
- **To date, over 7,800 projects with combined investments of over \$32 billion have been approved for communities across the country.**
- **We are working closely with our provincial and territorial partners to finalize the integrated**

bilateral agreements that will deliver long-term funding in our communities.

- These investments will continue to help create jobs, strengthen the middle class and build cleaner and more inclusive communities.**

BUDGET 2018

Budget 2018 réaffirme le plan d'infrastructure à long-terme du gouvernement du Canada et offre une mise au point sur les allocations des investissements en infrastructure.

RÉPONSE SUGGERÉE

- **Le Budget 2018, intitulé *Égalité + croissance : Une classe moyenne forte*, du gouvernement appuie son approche axée sur les personnes.**
- **Par l'entremise du budget de 2018, le gouvernement met en œuvre les prochaines étapes en vue d'un Canada plus égalitaire, concurrentiel, durable et équitable, où les sciences, la curiosité et l'innovation stimulent la croissance économique.**
- **Par l'entremise du plan *Investir dans le Canada*, le gouvernement du Canada tient ses promesses et investi plus de 180 milliards de dollars en infrastructure sur 12 ans.**
- **Jusqu'à présent, plus de 7 800 projets dont les investissements combinés s'élèvent à plus de 32 milliards de dollars ont été octroyés pour des collectivités à travers le pays.**

- **Nous travaillons de près avec nos partenaires des gouvernements provinciaux et territoriaux afin de finaliser les ententes bilatérales intégrées qui offriront du financement à long terme dans nos collectivités.**
- **Ces investissements continueront à contribuer à créer des emplois, à renforcer la classe moyenne et à bâtir des collectivités plus saines et inclusives.**

BACKGROUND INFORMATION

Budget 2018

- Budget 2018 notes that Budgets 2016 and 2017 laid out the Government's plan to invest more than \$180 million in infrastructure over twelve years.
- It highlights that the Government is supporting new infrastructure projects and economic activity across Canada. It notes that over 7,800 projects with combined investments of over \$32 billion having been approved to date for communities across the country.
- Budget 2018 also notes that the Government is finalizing negotiations with the provinces and territories to provide long-term funding through Integrated Bilateral Agreements.
- Budget 2018 provides an update on funding profiles for a number of federal infrastructure programs. The funding profiles have been updated to reflect when the Government expects to receive claims from recipients.
- Budget 2018 also states that the Government is working to improve financial reporting and accountability under its infrastructure programs so that it is clear when projects get underway, when costs are incurred, and when federal funds flow to other levels of government.

Jacques Cartier and Champlain Bridges Incorporated

- Budget 2018 announces **\$616 million over five years** (2017-18 to 2022-23) for the Jacques Cartier and Champlain Bridges Incorporated.

Budget 2017

- Budget 2017 investments include \$25.3 billion for public transit, \$21.9 billion for green infrastructure, \$21.9 billion for social infrastructure, \$10.1 billion for trade and transportation, and \$2 billion for rural and northern communities.
- The federal government will deliver \$33.1 billion in infrastructure funding through bilateral agreements with each of the provinces and territories.

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